GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2887
ANSWERED ON:06.12.2007
INVESTMENT IN PETROCHEMICAL SECTOR
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government proposes to invest 36,000 crore rupees in the petrochemical sector during the next five year;

(b) if so, the details thereof;

(c) the extent to which the ethane capacity would be increased from the existing 2.7 million tones; and

(d) the expected increase in the consumption of polymers in the country in the next five years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K.HANDIQUE)

(a), (b), (c) & (d) : Petrochemical Sector is de-licensed and de-regulated. The Investment which are under planning in the Petrochemical Sector are by Private Sector and by Public Sector Undertaking under the administrative control of the Ministry of Petroleum and Natural Gas. As per the Report of the Working Group on Chemicals & Petrochemicals for the 11th Plan, the demand for petrochemical (polymers) has been projected to have a potential to reach 12.5 million metric tones by the end of 11th Five Year Plan. Further, it has been projected that ethylene production will reach about 8.6 million MT by 2012. So far the capacity expansion and new addition to the tune of 3.2 MT of additional ethylene capacity have been announced, which are likely to incur an estimated investments of Rs.36,000 crores. The details are as follows:

Investments in Naptaha and Gas Cracker Plants

(In Million Tonnes)

Company	Feed Stock	2005-06 Ethylene Capacity	Proposed Likely Ethylene Capacity	Investment
GAIL, Pata	Gas	0.3	0.4 (0.1)#	Rs.650 Cr.
HPL, Haldia	Naphtha	0.52	0.67(0.15)#	Rs.650 Cr.
IOC, Panipat	Naphtha	0	0.8	Rs.16,000 Cr
GAIL, Assam	Gas/ Naphtha	0	0.22	Rs.5460 Cr.
RIL, Jamnagar	Refinery off Gases	0	2.0	Rs.13,500 Cr
Total		3.27		Rs.36,260 Cr

Additional Capacity.